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Keywords

boundaryless career, executive employment, career mobility, compensation

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Executive Career Management: Switching Organizations and the Boundaryless Career

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Abstract

There has been little research examining executives who change jobs by specifically following these individuals both before and after their employer changes. By incorporating research on the boundaryless career [Arthur, M. B., & Rousseau, D. M. (Eds.). (1996). *The boundaryless career: A new employment principle for a new organizational era*. New York: Oxford University Press; Sullivan, S. E., & Arthur, M. B. (2006). The evolution of the boundaryless career concept: Examining physical and psychological mobility. *Journal of Vocational Behavior*, 69, 19–29] and applying Frank's theory of relative standing (1985), this study examined factors that may cause executives to change jobs in the context of managing their careers. Our findings revealed that factors, such as age and compensation, were related to the likelihood of job movements as well as declining organizational health. Post-hoc analyses also indicated that executive job-changers received significantly greater increases in total compensation and were more likely to receive increases in organizational status.

1. Introduction

Similar to research in the turnover and selection literatures, studies of executives have examined movements across organizations from the organizations' point of view (Boeker, 1997; Gunz & Jalland, 1996; Sullivan, 1999). This approach, however, only reveals one perspective on executives. Executives are not simply organizational resources. As suggested in the boundaryless career model (Arthur & Rousseau, 1996; Sullivan & Arthur, 2006), they are also individuals who seek to manage their own careers by taking advantage of opportunities to maximize their success (Eby, Butts, & Lockwood, 2003; Judge, Boudreau, & Bretz, 1994; Judge, Cable, Boudreau, & Bretz, 1995). The present research examined the job movements of executives across organizations (compared to a sample of non-moving executives) in the context of boundaryless careers. We sought to explicate the factors associated with the likelihood of executives making firm changes versus remaining with their organizations.

The boundaryless career refers to the notion that today's professionals manage their own career paths, as they seize new and often different job opportunities to obtain training, enhance their human capital, and remain marketable (Arthur, Khapova, & Wilderom, 2005; Arthur & Rousseau, 1996; Sullivan & Arthur, 2006). Thus, rather than remain with one organization and line of work over the course of their careers, individuals self-manage their careers by autonomously capitalizing on new opportunities that they believe will provide them with valued returns in exchange for performance. In doing so, these professionals cross-over both physical and psychological boundaries, whereby they actually move between organizations (i.e., physical boundaries) and/or believe they have the capacity to move across boundaries (i.e., psychological boundaries). This is because individuals' relationships with their organizations are transactional and exchange-based (Blau, 1964) and their obligations to their organizations are short-term, indefinite, and both performance and contractually oriented (McLean Parks, Kidder, & Gallagher, 1998). Professionals continuously evaluate how well their organizations are meeting their stated and implied contractual obligations, as well as the perceived availability of better opportunities in the marketplace (Rousseau & Wade-Benzoni, 1994). As a result, some individuals may have multiple careers and multiple job movements during their lifetime (Sullivan & Arthur, 2006).

Research on boundaryless careers indicates that both intrinsic and extrinsic factors influence career choice decisions. However, much attention has been paid to describing the type and impact of intrinsic factors (e.g., Arthur, Inkson, & Pringle, 1999). There has been little examination of executive careers and the relationship that exists between extrinsic factors (e.g., pay and status) and executives' organizational mobility. Research in executive compensation (e.g., Hambrick & Cannella, 1993; Judge et al., 1995; Lubatkin, Schweiger, & Weber, 1999) has implicitly assumed the importance of extrinsic factors in executive attraction and retention, but little research has focused on how extrinsic factors relate to executive career management.

The present study examined if these more extrinsic factors do—and more specifically to what extent they do—influence executives as they change firms. We argue that some executives are continually determining if other job opportunities will enable them to differentially obtain or maintain valued extrinsic job factors. Although we anticipate finding similar results between the typical employee and the contemporary executive in their mobility patterns, previous research has not examined executive-mobility from this point of view. While there is research that examines the propensity of individuals to switch careers (i.e., Donohue, 2007; Holland, 1996), as well as research focused on the determinants of extrinsic career success (see Ng, Eby, Sorensen, & Feldman, 2005, for a review), work has not considered executive's job patterns, including possible reasons for them, and how these

patterns reflect an executive's career. Indeed, researchers examining mobility and the boundaryless career have called for more studies evaluating career patterns across organizational boundaries (Briscoe & Hall, 2006; Sullivan & Arthur, 2006). By identifying factors that may influence the executive employer changes, the present study concentrates on executives as individuals with careers, rather than organizational resources. In doing so, we provide insight into today's career management models, specifically the boundaryless career model, as well as address the call for a fuller understanding of today's employment relationships, as executives strive to achieve career success (Sullivan, 1999).

1.1. Career Success at the Executive Level

Described as "the positive psychological or work-related outcomes or achievements one has accumulated as a result of one's work experiences" (Judge et al., 1995: 486), career success includes both subjective and objective components. Intrinsic, subjective factors that have been highlighted include opportunities to perform challenging work, experience greater mobility across organizations, and develop supportive networks around work (Arthur et al., 2005; Eby et al., 2003; Heslin, 2005). Yet, while obtaining a sense of satisfaction with one's chosen work is certainly critical, so too is receiving adequate extrinsic rewards in exchange for the work. From a more objective and measurable perspective, extrinsic rewards, including pay and status, often act as central determinants of career success, so much so they have been used as dependent variables in many studies (Heslin, 2005; Judge et al., 1994; Seibert, Kraimer, & Liden, 2001).

Nowhere are the issues of extrinsic rewards, and compensation to be specific, more salient than at the executive level. Because their specific forms of human capital are argued to directly influence firm performance, executives receive significantly greater total compensation than other employees (Harris & Helfat, 1997; Leo, 1995). Research suggests that for CEOs, external forms of career success, such as compensation and status, are important; for example, pay has been shown to affect CEOs' decisions to seize job opportunities (e.g., Hambrick & Cannella, 1993; Lubatkin et al., 1999). In fact, the recent high levels of executive turnover and the public nature of executive compensation, suggest that movements between organizations may provide a fluid market for executives to advance and obtain career success. Accordingly, this study examined whether some executives, in the hopes of achieving career success, have a tendency to change organizations while managing their careers. As discussed in the following section, this tendency is expected to be influenced by individual characteristics, job characteristics, and organizational factors.

1.2. Correlates of Executive Employer Changes

1.2.1. History of firm changes

Contemporary mobility research, which often focuses on samples of middle management or on individual career challenges within organizations (Boeker, 1997; Robson, Wholey, & Barefield, 1996; Veiga, 1983), typically is based on models which describe the stages within one's career (e.g., Levinson, 1986; Schein, 1978; Super, 1957; Veiga, 1983). While these models differentiate each stage by the individual's age and career life cycle, they also suggest that employer changes are caused by more than simply career stage; that is, certain individual characteristics are related to job movements, and some individuals are simply more inclined to make job movements than others. So too, in arguing the boundaryless career concept, researchers (i.e., Arthur & Rousseau, 1996; Sullivan, 1999; Sullivan & Arthur, 2006) have suggested that individual characteristics affect the likelihood of employer changes.

Some have argued that there exists an underlying individual-level construct, propensity to move, which captures this phenomenon (e.g., Judge & Watanabe, 1995; Veiga, 1983). A few studies have examined previous mobility as a predictor for future mobility across organizations (e.g., Forbes, 1987; Judge & Watanabe, 1995; Stewman & Konda, 1983; Veiga, 1983), specifically arguing that the propensity to move, measured in such ways as number of jobs (Forbes, 1987) and length of tenure in one's first job (Veiga, 1983), is related to the likelihood of future job movements (or at least turnover). For all of these reasons, we can expect that past behavior of employer changes relates to future employer changes. Therefore, we predict

Hypothesis 1: Executive history of firm changes relates positively to the probability of executive firm changes.

1.2.2. Compensation

One external factor likely to influence executives' career choices is compensation. Frank's theory of relative standing (1985) helps explain why this factor may be relevant. This economic-based theory suggests that executives consider new job opportunities based on their perception of their relative standing (i.e., compensation and rank within the organization) compared with other individuals within the same company or similar individuals within the same industry. Thus, executives may consider career changes to improve their pay or status. Frank (1985) argues that individuals examine their compensation in comparison with their proximate social setting. Reference groups may be described locally within a particular organization or more globally within a particular industry. However, executives are more likely to extend their reference groups to include outside executives within the same industry, since

executives are typically a minority within their own organizations. In addition, executive-level pay and status are often public information, enabling executives to easily form a reference group that extends well-beyond their organizations.

The theory of relative standing suggests that executives would be likely to leave their organizations to improve their comparative pay status only if they perceive their compensation to be relatively lower than those in their reference group. As a result, compensation is an effective tool for their retention. Through its effects on calculative commitment, (i.e., individuals remain with their organizations because the benefits of remaining are higher than the costs of staying) (Kanter, 1968; Meyer & Allen, 1991, 1997), higher pay can serve as an effective means of employee retention (Trevor, Gerhart, & Boudreau, 1997). The logic is that if executives view their contributions and associated rewards as equitable, in an exchange-mentality (Blau, 1964; Etzioni, 1961), they remain with their organizations because their compensation is higher than what they could receive elsewhere (Farrell & Rusbult, 1981; Randall & O'Driscoll, 1997). While executives may switch organizations to increase their total compensation relative to their peers in other organizations, it is also likely that if they are currently receiving a comparatively higher pay than those in their reference group, then they are more likely to remain at their organizations. Thus, we predict:

Hypothesis 2: Compensation relates negatively to the probability of executive firm changes.

1.2.3. Status

The theory of relative standing (Frank, 1985) also provides a theoretical basis for the argument that executives compare their individual-status with those of their peers within and across organizations. Status, just as pay, can be used as a way to retain employees. Indeed, organizational status can be viewed as a form of reward from a total compensation perspective (Milkovich & Newman, 2005). It can also be viewed as a measure of career success (Judge et al., 1994). Even if he or she is paid adequately (or inadequately), his or her status within an organization and the wider professional community may enhance the positive effect or offset the negative effect attributable to pay. Thus, we predict:

Hypothesis 3: Status within an organization relates negatively to the probability of executive firm changes.

1.2.4. Organizational health

In addition to individual compensation and status, organizational factors such as downsizing and decline have been recognized as a potential cause of executive career movement (Bedeian & Armenakis,

1998; Bruton, Keels, & Shook, 1996). Based on Frank's (1985) theory of relative standing, individuals in declining organizations may compare their organizational status to more successful companies within their industry and seek to fill that "gap" by changing jobs to a more reputable organization. In addition, executives who know of possible decline in their organization may seek other job opportunities in order to increase their individual performance status within another organization (Hambrick & Cannella, 1993; Lubatkin et al., 1999). Thus, executives in declining organizations may seek jobs in organizations with higher (or stable) performance to improve their pay and status. Therefore, we expect organizational performance to relate to the probability of executive job movements, or:

Hypothesis 4: Decreases in organizational health relates positively to the probability of executive firm changes.

2. Methods

2.1. Sample and procedure

Data were collected for executives who left one organization and began a job in another organization during the time frame 1992–1997. Initially, we examined the sample of executives reported in the ExecuComp database (Standard & Poor's, 1999). This database contains information on the top five paid executives in over 1700 organizations, and there are approximately 9000 individuals in the original database. The database provides financial information for the organizations, as well as information regarding top executives for the years 1992–1997. Information provided for the top executives included reported title and compensation such as salary, bonus, and long-term compensation. Furthermore, information for the organization in the ExecuComp database included sales, number of employees, return on assets (ROA), and return to shareholder.

The sample included numerous executives with multiple listings in the original database that were identified with a personal identification code; this indicated an executive moving from one organization to another organization. Since our focus was on executives leaving one organization to begin a job in a new organization, we examined the data to identify these "movers." First, we sorted the data to determine which executives changed companies within the original database. We then selected records in which the same individual worked in two or more different organizations. This initial cut of our data reduced our sample to a set of 380 executives. However, not all of these records necessarily signified a job movement across organizations. That is, many of the data records of executives were eliminated from our study because their companies had simply changed names, merged, been acquired by another company, or the individual had been promoted to a parent company. Because our focus was

on job movers, we wanted to examine those individuals who left one organization and began employment in another organization. This refinement of the data yielded a sample size of 91 movers.

For each mover, necessary data was obtained from the ExecuComp database (to be detailed below). However, the hypotheses required more information than contained in this single database. For each executive, a biographical search was conducted to gather additional information not provided within the ExecuComp database. Thus, for each individual, additional information needed for this study (age, education level, number of previous jobs, and tenure for the current job) was obtained. This information was obtained through a variety of secondary sources such as various news releases, organizations' annual reports, *Standard & Poor's Register of Corporate Executives*, and *Who's Who in Finance and Industry*. During the search for biographical information, we verified whether the executive actually changed jobs to a new organization. Searches were also conducted through the Internet and more specifically through company web sites. The reader should note that we needed to rely on these secondary sources of data for their accuracy. While we could confirm a significant portion of the data from multiple sources (e.g., a press release, *Who's Who*, the company website, etc.), it is likely that the company itself was responsible for providing the information to each of these sources. That said, any error (purposeful or accidental) on the company's part for providing this data should only create error in our analyses, and thus should only serve to weaken our results.

For comparison purposes, we also needed a sample of non-movers. Although the ExecuComp database provides a wealth of data on other executives, the requirements of data collection from the additional sources necessitated that a smaller sample be employed so that the requisite additional information be feasibly collected. Thus, we collected data on a comparison group of 91 non-movers. We randomly selected one executive from each of the organizations represented by our initial set of 91 movers (i.e., from the organization in which the mover left). We then sought to collect the additional necessary data from the secondary sources. Due to some cases where personal information was not available on these non-movers (non-movers were less likely to be reported in press releases) and our desire to maintain random selection (in case there were relationships between the availability of data and other characteristics relevant to our study), our final data set contained complete data on 91 movers and 87 non-movers.

2.2. Measures

2.2.1. History of Firm Changes

Using data compiled from the various biographical sources, we determined the number of companies each executive had held since graduation from college or completion from high school. The use of counting prior employers as a measure for an individual's propensity to move has been used in previous mobility studies (Forbes, 1987; Veiga, 1983). However, as we did not know the reason for the firm changes, we took the more conservative approach of simply labeling this measure as a history of firm changes. The count of firm changes did not include any firm changes that occurred over our data collection window. The measure of number of past employers was taken for each executive as of 1992. In other words, "movers" in our study did not automatically receive a higher level on this measure.

2.2.2. Compensation

Compensation for each executive was obtained from the ExecuComp database for the years 1992–1997. This includes salary, bonus, and two measures for total compensation. Because different forms of compensation have different purposes and therefore potentially different effects (Milkovich & Newman, 2005), we considered each component of pay separately. Our analyses included salary, bonus, and other compensation (generally, this means long-term compensation and/or stock options, awards, and grants). The first measure of total compensation included an executive's salary, bonus, other annual compensation, total value of restricted stock granted, total value of stock options granted (using Black–Scholes formula), long-term incentive payouts, and all other compensation. The second measure included all of the same measures except it does not provide the total value of stock options granted using Black–Scholes; instead, the net value of stock options exercised is provided. We subtracted salary and bonus from both measures of total compensation. However, only one of the measures was used in analyzing an executive's compensation package. Thus, if the first measure was not available for a particular year, then the second measure was used as a proxy. The two measures of total pay are highly related ($r = .63$). As listwise deletion has been shown to potentially bias data analyses (Roth, 1994), the use of the alternate variable for total compensation was a useful estimate. It is worth noting that while the measures of total compensation are highly correlated, the relationship is not perfect. Thus, we tested the robustness of our results by redoing our analyses using both alternate measures (Analyses are available from the authors upon request). Interestingly, there were no notable changes in the results (thus also indicating that listwise deletion would not have biased our results). In addition, since the data

on total compensation was highly skewed, we used a natural logarithm to make its distribution more normal.

2.2.3. Status within the Organization

Following past research, executives were defined as individuals reporting to the chief executive of the firm (Boeker, 1997). An executive's rank was provided within the ExecuComp database as reported by the company annually. However, to determine a change in status for the executive, the authors developed a hierarchical ranking system for executive status. Each executive's title was examined over the 5-year period to determine any change in hierarchical status. Executives were ranked as follows:

5 = Chairperson of the board, Chief Executive Officer, and/or President.

4 = Chief Executive Officer and/or President.

3 = Chief Operating Officer and/or Chief Financial Officer.

2 = Executive Vice President and/or Senior Vice President.

1 = Vice President and/or Treasurer.

2.2.4. Organizational health

According to Venkatraman and Ramanujam (1986), multiple performance measures should be used to determine an organization's health. Financial and market measures were provided through the ExecuComp database for each company. ROA, an accounting based measure of performance, is commonly used as an organizational performance measure (Agle, Mitchell, & Sonnenfeld, 1999; Li & Simmerly, 1998). We also used a market measure of Return to Shareholder that includes total return and monthly reinvestment of dividends. To analyze the organization's health during the 5-year period, we used the change in both ROA and return to shareholder investment from the previous year in each year.

2.2.5. Employee movement

Dummy variables (0 = non-mover, 1 = mover) were used to signal whether an executive was a mover or a non-mover within the data. An executive was identified as a mover at the end of the same year in which the executive moved.

2.2.6. Other variables

Age, education level, current tenure with the organization, and organizational size were also collected for use in our analyses. Prior studies have shown executive compensation to be correlated

with firm size (Boyd, 1994; Gomez-Mejia & Wiseman, 1997). Organizational size may also be related to advancement opportunities; therefore, a measure for size (the number of employees within the organization) was entered as a control variable. An individual's age as well as education level may also be associated with the executive's career stage (Callister, Kramer, & Turban, 1999; Veiga, 1983). Note that we considered gender, but only three of the 178 subjects were women. Because of the small size of this subgroup, and the resultant likelihood that a dummy variable would capture spurious variance, we did not control for gender in our analyses.

2.3. Analyses

To estimate the influence of the independent variables on the probability of employee job movements, we estimated a proportional hazards rate model (Cox, 1972), thus treating data on tenure with a given organization as survival time. The proportional hazards model has previously been applied in organizational research in studies of employee turnover (e.g., Judge & Watanabe, 1995; Morita, Lee, & Mowday, 1993; Trevor et al., 1997); however, it has not been applied to research specifically addressing employee careers.

Proportional hazards modeling has a number of advantages. First, proportional hazards modeling uses information on survival time (i.e., tenure), rather than relying solely on a simple dichotomous dependent variable, such as whether an employee changed jobs over a specific time span. This allowed us to examine information in each year rather than aggregating organizational effects over multiple time periods. Second, the proportional hazards model allowed us to differentiate between an employee who leaves in year one and an employee who leaves in year 5. Such information would be lost when treating employer changes simply as a dichotomous outcome. This is an important distinction, as some have noted that failure to consider the timing of employee job movements may result in biased findings (Morita et al., 1993). Third, proportional hazards modeling can control for censored data. In some cases, the exact survival time is unknown, although it is known to be greater than the specified value. Censoring occurs when the study ends without all the employees having moved to another job. In our study, most units are censored, such that we only know if executives move jobs as we track them across all jobs during the 5-year period in our study. If the effect of censoring was ignored, subsequent results would be biased; similarly, eliminating all censored data would drastically reduce the available sample and thus power.

Because our independent variables (salary, rank, organizational performance, etc.) changed over time, for each individual, there were as many "lines" of data as there were yearly observations. Because

we had yearly data, each observation (i.e., row of data) was a person-year. Each spell was coded as 1 if the “spell” of information was the last observation for the individual but the person did not leave the organization in that year. The final data set contained 813 person-year observations for 178 individuals.

The general proportional hazards regression model was:

$h(t; x) = h(t) \exp[\beta_1(X_{\text{controls}}) + \beta_2(X_{\text{individual data}}) + \beta_3(X_{\text{organizational data}})]$, where
 $h(t; x)$ = the conditional movement probability at time t , with predictors x ,
 $h(t)$ = the baseline hazard function,
 β s = the estimated regression weights,
 X s = the explanatory variables.

Positive beta coefficients signify that a greater value of X is positively related to a greater hazard rate. More specifically, a one-unit increase in an independent variable increases the odds of the executive moving according to the formula $([e^{\beta} - 1] \times 100\%)$ (Allison, 1995).

3. Results

Table 1 provides the means, standard deviations, and correlations of all the variables. The table is divided such that the data below the diagonal includes 178 executives with 813 person observations; that is, data per person from 1992 to 1997. Data above the diagonal includes a sample of 178 executives for their first year of complete data. Note that the data below the diagonal, which reports correlations for all person-years of data, is not independent (i.e., there are multiple lines of data for each person). As such, any results there should be interpreted with caution (and we do not interpret these results in our discussion below); however, for the sake of fully describing our data, we included these analyses for descriptive purposes.

Table 1
Means, standard deviations, and correlations of all variables

Variable	First-year data	Multiple observations	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Mover	0.51 (0.50)	0.08 (0.28)		-.19	-.13	.07	.00	.03	-.08	-.01	-.04	-.06	-.04	-.07	-.04	-.03
2. Tenure in current job	11.67 (9.81)	11.10 (10.36)	-.39		.22	-.10	.24	-.60	.13	.07	.00	.04	.01	-.08	.09	.07
3. Age	49.55 (5.87)	51.50 (5.75)	-.11	.19		-.01	.15	.06	.25	.03	.07	.07	-.06	-.09	-.11	-.16
4. Education	1.75 (0.61)	1.80 (0.59)	.06	-.20	.03		.02	.16	.10	.10	.05	.02	-.01	.07	.02	.07
5. Employees ^{a,c}	35.23 (43.24)	34.45 (44.31)	-.10	.22	.10	.10		-.14	.14	.29	.25	-.03	-.02	-.11	-.07	.06
6. History of job changes	2.75 (1.39)	2.75 (1.39)	.14	-.59	.11	.19	-.16		-.07	-.07	-.05	.00	-.12	.00	-.09	.00
7. Salary ^{a,b,d}	337.89 (190.94)	421.17 (291.69)	-.14	.12	.16	.11	.31	-.06		.42	.33	.27	.01	.03	.13	.10
8. Bonus ^{a,b,d}	224.80 (250.91)	390.75 (624.18)	-.02	.05	.09	.12	.28	.03	.43		.30	.17	.23	.14	.21	.23
9. Other total compensation ^{a,b,d}	799.10 (1864.09)	1652.97 (5421.81)	-.03	.00	.08	.09	.24	.02	.42	.33		.17	-.12	-.21	.07	.06
10. Status	3.34 (1.16)	3.50 (1.17)	.01	.02	.10	.02	-.05	-.04	.31	.11	.29		-.13	.00	.11	.12
11. ROA	4.23 (6.59)	4.25 (7.48)	-.11	.13	-.02	.07	.08	-.09	.04	.22	-.07	-.09		.53	.03	-.07
12. ΔROA	-.026 (10.88)	-.027 (8.27)	-.07	.02	-.02	.05	.00	-.01	.04	.16	-.15	-.03	.61		.01	.19
13. Return to shareholders	17.57 (31.02)	18.35 (32.72)	-.02	.03	-.04	.04	-.04	.01	.11	.26	.09	.08	.24	.22		.63
14. ΔReturn to shareholders	-3.05 (43.88)	1.02 (43.38)	.01	-.01	.00	.00	-.02	.03	.01	.09	.00	.04	.05	.21	.64	

Note: All correlations above the diagonal are the first year of available data. All the correlations below the diagonal include data per executive per year from 1992 to 1997. $N = 813$ person observations (below the diagonal) $p < .05$ for all correlations greater than .07, $N = 178$ executives (above the diagonal), $p < .05$ for all correlations greater than .15 and less than $-.16$. The means and standard deviations for data above the diagonal are in the First year data column (standard deviations in parentheses), whereas the means and standard deviations for data below the diagonal are in the Multiple observations column.

^a Raw data is used to calculate the means and standard deviations. However, due to the skewness of the data, natural logarithms are used for the remaining analyses.

^b Due to missing data in the three compensation measures, $N_{\text{salary}} = 806$ (below the diagonal) for the three compensation measures; $N = 176$ (above the diagonal) for the same measures.

^c In hundreds.

^d In thousand.

Interestingly, the mean tenure for an executive within this entire sample is 11.67 years ($SD = 9.81$), which is higher than the previously stated tenure of 7–8 years for executives (Charon & Colvin, 1999). Note that the mean tenure of the executives that did not move within our sample was 13.64 years ($SD = 10.34$), which is significantly different ($p < .01$) from the mean tenure of the movers within our sample ($M = 9.79$; $SD = 8.73$). It is also worth noting that the mean age of our subjects is 51.48 ($SD = 5.77$). Traditional careers models might imply that the executives within this sample are all within the maintenance stages of the career cycle (Super, 1957). However, by the way we selected our sample (i.e., we are examining executive firm changers), it is unclear if career stage, approximated by age, would play a significant role.

For the four hypotheses, proportional hazard analyses were used to estimate the probability of employee job movements. Three models were analyzed, as shown in Table 2. The first model includes the control variables (age, education, and number of employees in the organization). The second model includes the control and individual-level variables of company change history, salary, bonus, long-term compensation, and employee status. As indicated by the chi-squared difference, Model 2 is significantly more predictive than Model 1 ($p < .0001$). The third model adds the organizational-level variables to the analysis. The chi-square difference between model 2 and model 3 is statistically significant ($p < .05$).

The models indicate a number of significant relationships, providing support for some of the hypotheses and also revealing some interesting findings. Because the third model was more predictive than the previous two, we examined its coefficients for further interpretation. It should first be noted that, consistent with traditional careers models, older employees are less likely to make job movements. The results also indicate that those with greater education are more likely to make job movements, and those in larger organizations are less likely to do so.

Yet even after controlling for age, education, and organizational size, the models also provide strong support for hypothesis one ($p < .0001$). Those with a history of job movements are more likely to exhibit job movements during the 1992–1997 time frame. The second hypothesis predicted a negative relationship between the executive's compensation and executive movement, but results were not consistent across compensation form. Higher salaries were negatively related to the likelihood of employer changes ($p < .01$), thus supporting hypothesis 2. However, we found no significant effect for bonus or other compensation. Thus, executives are less likely to move when they receive greater not-at-risk pay, but greater contingent pay does not seem to be a force for executive retention.

Table 2

Summary of results for hypotheses involving individual- and organizational-level factors using proportional hazards modeling

Independent variables	Model 1	Model 2	Model 3
<i>Control variables</i>			
Age	-.056 ^{****} (.007)	-.069 ^{****} (.007)	-.070 ^{****} (.007)
Education	.43 ^{****} (.068)	.31 ^{****} (.077)	.30 ^{****} (.076)
Number of employees ^a	-.14 ^{****} (.035)	-.074 [*] (.039)	-.071 [*] (.038)
<i>Individual-level factors</i>			
Propensity to Move		.41 ^{****} (.030)	.41 ^{****} (.029)
Salary ^a		-.30 ^{***} (.085)	-.27 ^{**} (.081)
Bonus ^a		-.011 (.023)	.0003 (.023)
Other total compensation ^a		.023 (.026)	-.0082 (.024)
Status within the organization		.049 (.039)	.065 (.040)
<i>Organizational-level factors</i>			
ΔROA			-.009 [*] (.005)
ΔReturn to shareholders			-.0002 [*] (.0009)
Model chi-square	125.70	321.77	329.05
Chi-square difference		196.07 ^{****}	7.28 [*]

^a Natural logarithms are used.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

**** $p < .0001$.

The third hypothesis stated that we expected a negative relationship between an executive's status within the organization and executive movement. We did not find statistically significant results to support this hypothesis in any of the models. In fact, the coefficient was positive, and only marginally not significant ($p < .10$). This finding is not only counter to our hypothesis, but perhaps indicates that gaining organizational rank actually increases one's visibility and marketability. The lack of statistical significance makes any comment on this result tentative, but it is an interesting finding that may merit deeper consideration.

The fourth hypothesis predicted a negative relationship between the organization's health and executive movement. Both the change in return to shareholders and the change in ROA were significant (both at $p < .05$) as predicted. That is, as organizations decline, these executives were more likely to move to other organizations. It should be noted, though, that the magnitude of the coefficients for the organizational health variables appears small. A one-unit decrease in either variable increases the odds of turnover by roughly 1% and 0.2%, respectively. Thus, small changes in ROA or return to shareholder value are not expected to have dramatic effects on turnover; however, if the changes are sizable—such as 5.68 for ROA or 58.8 for return to shareholder value, the 90th percentiles in our sample—the effect on predicted turnover is to increase it by 5% and 12%, respectively. While not overwhelming, these effects can accumulate to have quite dramatic results for practice. They also show that large changes in organizational health are associated with personnel changes at the executive level.

3.1. Supplemental analyses: Consequences of job movements

In addition to the hypothesis tests, we examined the consequences of employee job movements. Post-hoc t-tests revealed that movers were more likely to receive a positive change in rank/status in the year that they moved than non-movers ($p < .0001$). Further, these t-tests revealed that changes in compensation were notable, with organizational changers enjoying an average increase of \$197,000 in salary and \$202,000 in bonus, compared to average increases of \$21,000 in salary and \$64,000 in bonus for non-movers (statistically significant at $p < .0001$ for salary and $p < .05$ for bonuses). Interestingly, movers had significantly lower other compensation, losing an average of \$808,000 with a move, whereas stayers received an average gain of \$883,000 (significantly different at $p < .05$). Note, however, that this should not be surprising, as other compensation largely consists of long-term awards, such as stock options and grants. Changing employers forces an executive to forgo this compensation, and time must pass before an executive can accumulate comparable awards at a new employer. It is important to note that this finding is not contradictory to hypothesis #2. That is, the proportional hazards models indeed show that greater salary is associated with retaining executives, as evidenced in their lower probability of switching jobs. Nonetheless, we also found that those who move do reap the rewards of such movements in the form of greater changes to their base and bonus pay, and enhanced organizational status relative to their prior rank.

4. Discussion

While no study can conclusively determine causality, the results from our longitudinal analyses do provide strong support for the overarching concepts from both the traditional careers model and the boundaryless careers concept. Although executives are often seen as different from other employee populations, our results for this sample are consistent with predictions of traditional careers models (i.e., Schein, 1978; Super, 1957; Veiga, 1983). That is, age is negatively related to employer movements, and one's history of firm changes is positively related to employer movements (Cooper, Graham, & Dyke, 1993; Sheridan, Slocum, Buda, & Thompson, 1990; Veiga, 1983). Additionally, similar to other groups (e.g., Brett & Stroh, 1997; Topel & Ward, 1992), job movements appear to be a highly effective means to increase compensation. Thus, executives may have mean levels of some qualities that are different from other groups of employees with regard to careers (i.e., more previous employers, higher mean salary, higher mean age), a perspective that merits future research, but our results suggest that their behaviors do not necessarily require different career models from other employees.

What is interesting in our results, however, is that the executive movements also support boundaryless career concepts as a relevant overall framework. Results imply that in managing their careers, these individuals seek opportunities to maximize their extrinsic rewards, specifically their salary and bonus. If these executives experience a decline in the health of their organizations, they are also more apt to change employers. Indeed, some executives will move to get the salary/rank they desire, decreasing loyalty towards any one organization. Thus, our results provide a window into career patterns at the executive-level.

In addition, our post-hoc analyses provide greater insight into the results of career movements. That is, it appears to be a useful strategy for executives to actively manage their careers by switching the organizations with whom they work. Doing so enables them to realize higher levels of salary, bonus, and status. Thus, our overall findings suggest that compensation is a very relevant factor associated with an executive's propensity to switch organizations.

This study also makes important contributions methodologically to the study of careers. While there are a number of career-based articles that present and discuss concepts of boundaryless careers (i.e., Arthur & Rousseau, 1996; Briscoe & Hall, 2006; Inkson, 2006; Sullivan & Arthur, 2006), there are only a few studies that empirically examine career issues using this framework (e.g., Briscoe, Hall, & DeMuth, 2005; Eby et al., 2003; Singh & Greenhaus, 2004). These studies, which present provocative findings that provide insights as to the nature and implications of boundaryless careers, relied on survey-based data. In contrast, our study employed data that enabled us to examine similar concepts longitudinally. In doing so, we provide additional insights as to the degree to which individuals enact boundaryless careers, an issue recently emphasized by Briscoe and Hall (2006). In addition, our design allowed us to examine specific quantitative drivers and consequences of career-decisions versus the self-reported, attitudinal data used in prior studies. Thus, we view the methodological design employed in this study as a strength of our research, as it triangulates with the existing empirical work on boundaryless careers. The longitudinal data also allows us to differentiate between the drivers of organizational changes (such as number of previous jobs held, salary, and organizational health) and the consequences of organizational changes (which includes bonus and organizational status).

The findings of this study, though, are tempered by a number of limitations. Most notably, we relied on archival data to assess factors influencing executive movement across organizations. Subjective measures for career success such as career satisfaction, social networks, job satisfaction, and psychological mobility were not considered within this study. These factors are certainly relevant and may indeed influence executives' job movements in tandem with executives' perceived pay and status

levels. While our findings suggest that the extrinsic, empirical factors we examined are important, future studies that explore the impact of the composite package of both intrinsic and extrinsic factors on executive job movements would be an important way to extend the findings of this study. Nonetheless, we make an initial step in better understanding the relationship between crucial career factors and executive career patterns over time and in doing so, answer Arthur et al. (2005) call for work that sheds additional light on career mobility patterns, especially between organizations.

In addition, this study focused on archival and biographical factors that may be associated with and explain executive movement. In practice, many forces may influence executive movements from one organization to another. If future research could expand upon this method by also collecting attitudinal data from job movers and non-movers, a more complete understanding on the causes of job movement could be developed. However, the difficulties associated with collecting longitudinal attitudinal data from executives, and being able to predict a priori a large enough sample of job movers, may make such research impractical. This study goes beyond many other studies on executives by using data from multiple sources. Rather than relying solely on the ExecuComp database, the news releases and other biographical sources provided a more detailed examination of executives than researchers have previously used.

The study of careers is very important and while emerging research is making valuable contributions, the domain is full of new propositions (see Briscoe & Hall, 2006; Sullivan & Arthur, 2006 for a discussion) and empirical studies focused on employee preferences (i.e., Briscoe et al., 2005; Eby et al., 2003; Singh & Greenhaus, 2004). In our study, by considering the actual career changes made by executives, by examining compensation and rank changes over time, and by studying a set of individual, job, and organizational factors, we make an important contribution to the study of the impact of extrinsic rewards on executives' mobility patterns. An understanding of mobility patterns, specifically inter-organizational career mobility, has often been overlooked in prior careers research (Arthur et al., 2005). Our findings suggest that in future studies that examine why and how executives cross-over organizational boundaries (or remain with their companies), extrinsic rewards, such as compensation, status, and organizational health are important factors that should not be overlooked.

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